

I am getting a little tired of being preached to by the other said of the aisle about fiscal conservatism. It was their President, the last President, who more than doubled the national debt in this country, from \$5 trillion to \$12 trillion. It was under their watch that we engaged in two wars and did not pay for any of it, added it to the national debt. It was under their watch that they called for tax breaks for the wealthiest people in America in the midst of a war and added it directly to the debt. Now when we come to the floor and say, for goodness' sake, give the unemployed in this country the basics of life to get by, they say we cannot afford it; we have this deficit. When it came to the bank bailout, we did not hear a word about the deficit. When it came to paying for these wars, which we did not do, we did not hear these deficit hawks. When it came to a prescription drug benefit that cost \$400 billion, they did not pay for it. The list goes on.

I look at my State and think, 16,000 people in Illinois lost their health insurance because 1 Republican Senator objected; 2,600 from his home State of Oklahoma. And the number grows by the week. What are we going to do about this? They want to pay for this by taking the money out of programs we are going to use to put people to work, taking the money away from projects that are going to be built across America to put construction workers back to work. Construction trades have one of the highest unemployment rates in America, over 25 percent. They are talking about cutting the money from the projects to pay for unemployment benefits. That is not going to bring us out of the recession; it is going to create more unemployment in the process. That is what this debate is all about.

There are ways we can address this deficit, and should. There is a Presidential commission which I am going to serve on with a number of Republicans and Democrats. It will not be easy. But why in the world do we want to fight this battle today on the backs of those who are unemployed and losing their benefits? It literally means that thousands across America are going to have to do without.

What do you do when you have exhausted your savings, you have no job, you are about to lose your home, and it is a real question about whether you can keep going down to the food pantry or the soup kitchen? If you don't think that is happening, check out your hometown. That is exactly what is happening. The Republican answer is, cut off the benefits and tell them we have to cut the projects to build the roads, to build the bridges, and make more unemployment in the construction trade sector in order to pay for this. That, to me, is not a good approach. It is not a humane approach. If we can just get as much compassion from the other side of the aisle for unemployed workers as we had for bank bailouts,

we would have a chance of feeding those people and keeping their families together during one of the worst economic turns we have seen in America.

The vote later on today—we will need 60 votes in order to continue to move forward on unemployment benefits. We do not have those votes on this side of the aisle. We will need Republican votes. The last time we dealt with this a month or so ago, a number of Republicans stepped forward and helped. I hope we do the same this afternoon.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Arizona.

JOBS IMPACT

Mr. KYL. Mr. President, last week I traveled around my State of Arizona to large towns and small, and I heard from many of my constituents. Arizonians have very serious concerns about what is happening here in Washington. They are worried about the direction in which our country has moved and about the kind of Nation their kids and their grandkids will inherit. They are unhappy about the tremendous levels of spending and debt and about how new taxes and regulations threaten jobs and our economy. It is not an overstatement to say that people are outraged about what they perceive as irresponsible behavior in Washington. Many are frustrated because they feel as if they have lost control of their government. Today, I wish to focus on three specific concerns I heard, and they all relate to how taxes and regulations are impacting jobs in my home State.

First is the health spending bill. If anyone thinks the American people will have forgotten about this in a few months, I can assure you they will not have. They are overwhelmingly opposed to this law, and they are frustrated that it was passed despite widespread opposition. They are upset about the high cost, the new taxes, the massive regulations, and the manner in which it was passed.

Arizona's employers and the unemployed workers are both affected by the new taxes and mandates in the bill that will prevent hiring. How? Well, many small business owners in Arizona are wondering how they are supposed to hire new employees when they are about to be slapped with a new payroll tax. Of course, a payroll tax is a direct tax on hiring.

Arizona employers with more than 50 workers face a second problem: they will face steep fines if they do not comply with the new mandate that they provide health insurance to all of their employees. It is another disincentive to create a job or even to retain current employees.

The refrain I heard from employers and other Arizonians over and over again is: You have to repeal this bill. And I agree.

The second concern I heard a lot about was unemployment insurance

and its impact on jobs. I will discuss in just a moment the concern the employers have about their share of the expense of unemployment insurance. But first of all, let me address comments just made by my colleague from Illinois, who suggested that Republicans wanted to leave people who are unemployed out in the lurch, that we did not support extending unemployment benefits. That, of course, is not true. I voted for every extension of benefits, as have the majority of my colleagues. The question is, Who should pay for the extension? My colleague suggests that it is not a question of who but whether it should be paid for. It is said over and over again: The question is whether it should be paid for. Well, it is not a matter of whether. It will have to be paid for. That is to say, we are borrowing the money. We have to pay that money back. It is a question of whether we pay for it or we simply say: Put it on the tab for our kids and our grandkids to pay for it.

So the question is, to extend unemployment benefits again to folks alongside us, who have the misfortune of having lost their job, until they can get another job, who is going to pay to extend their unemployment benefits? It seems to me that is an obligation of this generation.

My kids and grandkids are going to have plenty to worry about in their generations. They will probably face the prospect of some unemployment, too, and they are probably going to have to extend unemployment benefits, and somebody will have to pay for that. The question is, Who? Are we going to make them pay not only for what happens on their watch but also what happened on our watch that we were not able to pay for?

That is the question: Are we able to? To extend these benefits for the period of time we were taking about just before the recess was \$9.5 billion. And I don't think one could contend that somewhere in the Federal budget we can't find \$9.5 billion over the course of the year which could be used to pay for these benefits. If they are a top priority, then that is what should be used to pay for the benefits. It is a 30-day period of time.

Interestingly, during the debate before the Easter recess, we actually had an agreement for about 45 minutes in this Chamber where Republicans and Democrats alike agreed that to ensure there would not be a hiatus where benefits would not be extended—and by the way, the physicians would be reimbursed for the care they provide to Medicare patients—we agreed on a set of revenue measures that would pay for a week of these benefits so that there would be no period of time that there would be a hiatus, that they would not be paid for. But someone from the other side had to call the Speaker of the House to make sure that was OK with the House of Representatives.

I am told it was the Speaker who said: No, we will not pay for the extension of benefits. We will not do that.

It is not a question of whether we are for extending unemployment benefits. It is not a question of whether they have to be paid for. It is a question of who pays for them. For my money, if we can't find \$9.5 billion somewhere in this government and say it is a higher priority to extend unemployment benefits and pay for it than whatever that money is used for, then we are not doing our jobs.

My colleague from Illinois suggested that Republicans were responsible for taking us to war and not paying for it. That needs to be responded to. This body voted to go to war. This body supports the troops who are fighting. I assume this body wants to pay them and to buy them the appropriate equipment and that is a top priority of our government. Under the Constitution, the first obligation of government is to protect its citizens. That is the No. 1 priority. We have to spend that money. There are other priorities, but there comes a point when we have to begin setting priorities and say to go to war, we have to do that. That has to be paid for. To do this and this and this, that has to be paid for. But at a certain point in time, we are entitled to ask: Now that we have run out of money, do we want to keep spending or do we find a way for this generation to pay for that spending? That is what we are talking about with the extension of unemployment benefits.

Of course, they need to be extended. We will support that. The question will be, will my colleagues on the other side of the aisle support finding the funds to offset the cost.

This is not without cost. The Coalition of Arizona Business Organizations reinforced the point in a recent letter to my office. They pointed out: The Arizona Department of Economic Security estimates that my State will have to borrow \$300 to \$400 million from the U.S. Department of Labor between 2010 and 2013 to keep the unemployment fund solvent so they can continue to make payments to beneficiaries.

To make matters more difficult, Arizona employers have already been hit with an average increase of 50 percent in unemployment insurance taxes. This increase has occurred at the very time that businesses are trying to recover. Of course, it can delay economic recovery, and more hiring for businesses the more they have to pay. The message I got from small businesses was, if you want them to start hiring, Congress needs to waive the Federal Unemployment Tax Act penalties, also known as FUTA.

This is a tax that currently averages \$56 per employee. But if Arizona were to fail to repay the money the State has borrowed from the Federal Government, it could rise as high as \$308 per employee. Obviously, that does not portend more hiring, and it is not what employers need.

The third and final concern relates to lending. Senator MCCAIN and I met with representatives of some of Arizo-

na's smaller banks, community banks. They are being crushed because regulators have been forcing them to raise more capital than they are required to hold, and that undermines economic recovery because they then have less money to lend.

In addition, regulatory guidelines, especially on commercial real estate lending, are hindering new loans as well as the refinancing of existing loans, and existing regulations are discouraging banks from working with borrowers to avoid foreclosure. These banks are being forced to increase capital in an environment in which capital is very scarce for community banks. A more sensible course would be having banks retain more capital when times are good and easing up on those requirements when times are bad.

The effect of the bank regulators' actions is not just denial of loans to those who should not get them—and there are some who should not be refinanced—but even to more creditworthy individuals and businesses. As a result, businesses can't invest and grow, which is what they need to do to create jobs and improve the economy.

The bottom line is a lot of things Washington is doing have hurt small businesses, the engines of job creation. Americans are not happy about this. Jobs should be our No. 1 priority. Congress has the tools to create a better environment for job creation. I am not talking about labeling every spending bill that comes up as a jobs bill. It means listening to what job creators are saying, not punishing them with a tidal wave of new taxes and regulations.

The ACTING PRESIDENT pro tempore. The Senator from Florida.

Mr. NELSON of Florida. I ask unanimous consent to speak for 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXTENDING UNEMPLOYMENT BENEFITS

Mr. NELSON of Florida. Mr. President, the American people are asking: Why can't those guys get together up there and get something done? They are asking: Whatever happened to common sense? They say: People are out of work. Why can't you extend their unemployment benefits? All of this is what the vast majority of the American people are saying. Yet we allowed, over 2 weeks ago, unemployment compensation to cease for certain people hurting in this country. It is important for us now to temporarily extend unemployment benefits, as well as the ability for someone who is out of work to continue their health insurance coverage through what is known as the COBRA program. These important programs expired. We are going to have a procedural vote later today.

As is typical in the Senate, we don't get to the actual, substantive vote today. We vote on a motion to proceed,

and we have to cut off debate with a motion to cut off debate, called a motion for cloture, just to get to the motion to proceed to get to the bill. But that is what has taken place today. We will get it done. We will use the better part of this week going through all of this parliamentary faldral. When they call the final roll, we will get it extended.

But why can't we get together? Why did one Senator, over 2 weeks ago, hold up the whole works on something so obvious? Folks are hurting in most of the country. They certainly are in my State. Over 40 percent of Florida homeowners are under water on their mortgage. The banks are pulling back on credit to small businesses. When you get right down to it, the blame for failing to temporarily extend this eleemosynary help, this commonsense help to people who are hurting, falls solely at the feet of the Congress because we couldn't get it together, through our parliamentary rules.

Our people are hurting. It is our responsibility to extend these programs to provide some little pittance for people who can't get work and financially have a desperate need. Unfortunately, for many Americans these benefits are the only thing keeping food on the table as they struggle to find a job and make financial ends meet.

I certainly hope we are not going to let these programs lapse again. There are encouraging signs in the economy, but unemployment always lags the recovery of other parts of the economy. Therefore, we need to give some little measure of stability to these people, these poor families out of work, instead of us continuing to have partisan gamesmanship that we have seen so often over the course of the last couple months.

FINANCIAL REFORM

Mr. NELSON of Florida. Mr. President, after the extension of unemployment benefits is accomplished—and we will get it done—we will take on financial reform. Remember back, the failure of Lehman Brothers and the near collapse of our financial system and, as a result, the passage of \$700 billion of taxpayer money to bail out Wall Street? Back in the fall of 2008, the break down in our financial system fueled one of the worst economic downturns since the early part of the last century. The stock market plunged. The credit and capital markets froze, and real economic activity took a nosedive.

While we are seeing some slight improvement in both the markets and the economy as a whole, too many people remain unemployed and underemployed. In Florida, the unemployment rate has surpassed 12 percent. The unemployment rate in Florida is now the sixth highest in the country. Since the crisis began in the fall of 2008, a lot has happened. We elected a new President. We passed an economic